DCMC CMI STRATEGY FY99

Vision

In support of Dr Gansler's "Long Term Vision" of Civil Military Integration DCMC Will: To the greatest extent possible, lessen the distinction between doing business with the DOD and business within the Commercial Sector, while assuring the War Fighter the highest quality equipment, on time, at the lowest possible cost.

CMI STRATEGY DEVELOPEMENT

- Primary Source Documents
  - Integrated PBBE Guide (JACG, 23 Jan 97)
  - Coopers and Lybrand Study
  - RBA and RMA Study inputs
- Other Sources
  - Customer Feed back From:
    - OSD AR
    - Service Acquisition Executive Officers
    - Program Executive Officers
    - Program Managers
    - DLA and NASA
    - SPI Executive Council
    - Industry Partners

CMI STRATEGY FOCUS

- Use the Defense Systems Acquisition Management Process as the decision road map, focus on those areas of Management and Product processes that promise the greatest return on investment
- Use Source Documents and customer feed back to focus on Key processes within the critical path.
- Target Top 10 Industry Partners with existing Corporate and Segment and/or Site management councils.
- Use existing SPI process/Pilots and AR tools to assure swift wide ranging application
- Structure progress measurement and reporting mechanism

CMI Strategy Approach

- Approach
  - Change existing approach from bottoms up supplier generated to a two pronged approach.
  - Solicit and gain buy-in from the SAE down to the PM levels and from the facility to the the Corporate level.
- Visibility
  - Modify Existing Monthly SPI Report to include all CMI related Progress and issues.
  - Report to the The SPI Executive Council on progress as well as issues requiring OSD assistance
  - Track and display progress toward goals

Target CMI Contractors

- Lockheed Martin (Large, Corporate with Council)
- Boeing (Large, with Corporate council)
- Raytheon (Large, with Corporate council)
- AlliedSignal (Large, with Corporate council)
- General Electric (Large High Military mix)
- Motorola (Major, high commercial mix)
- Caterpillar l(Major, with high Commercial mix)
- Oshkosh Truck (Single line Commercial and military)
- Northrop (Major, High Military mix)
- Honeywell, (Major, High NASA/Space mix)

Selection of Target Areas

Acquisition "Example" Life Cycle II &III

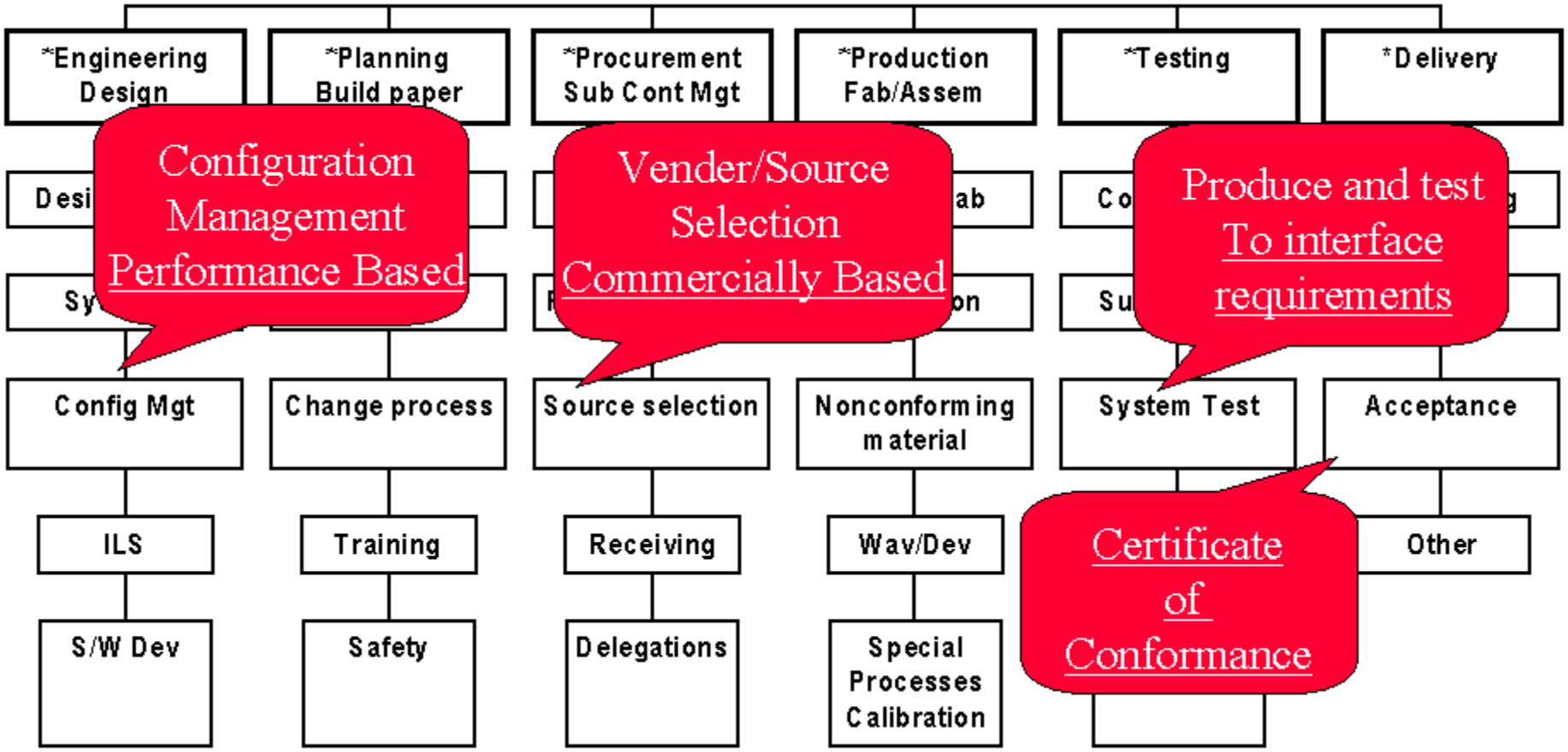

Chart is an adaptation of DSMC 3000R2

Defence Systems Acquisition Management process

DRAFT COPY CONTENTS SUJECT TO CHANGE

Target Area Analysis

- Coopers and Lybrand High Cost Drivers
  - Configuration Management
  - Supplier Selection
  - Produce and test
  - Acceptance/Delivery
- PBBE Guide states in part of these processes "---The preferred approach is to have no process on contract. However after reviewing complexity, risk and contractors capability it may be necessary, as a last resort to require potential offerers to commit to critical processes. --- First using the contractors own process---through the least desirable step on an exception basis--- placing a government process on contract."

Process Selection Rational

Configuration Management Performance Based

>Contractor controls design to performance parameters
>Uses own (common) system process
>Guarantees performance
>Allows Gov access to validate process control
>Gov reserves first right of refusal for data package
>Re-Procurement Gov option for life of contract
>Contractor calculates savings across Facility
>Program Office/DCMC calculate savings of Gov activities

Process Selection Rational

Vender/Source Selection Commercially Based

>Contractor uses own common process
>Contractor does not need Gov consent to subcontract
>Government source inspection eliminated
>Subcontract management reviews using commercial practice
>Certs and reps at contractors discretion
>Contractor takes advantage of common bulk purchases
>Contractor runs only one buyer/vendor system
>Gov reserves right to validate vendors/materials meet performance requirements
>Contractor calculates savings across Facility
>Program Office/DCMC calculate savings of Gov activities

Process Selection Rational

Produce and test
To interface
requirements

>Contractor/Program office identify interface requirements
>Contractor uses own processes to meet performance and physical requirements
>Contractor uses own prescribed testing to validate performance requirements
>Program office/DCMC verify testing adequately tests performance requirements
>Contractor calculates savings across Facility
>Program Office/DCMC calculate savings of Gov activities

Process Selection Rational

Certificate of Conformance

>Program office/DCMC set performance requirements, Quality,Cost and Schedule
>Certificate of conformance clause inserted into existing contracts
>Contractor meets exceeds requirements PCO/ACO invokes clause, DCMC disengages form process
>Contractor calculates savings across facility
>Program Office/DCMC calculate savings of Gov activity

Strategy Goals

> To secure CMI pilots at all 10 contractors identified
> Initiate pilots on all four target processes at each contractor
> To implement facility/Product line or corporate application
> To secure SAE/PEO and PM concurrence and support
> To secure savings in excess of 500 million

CMI Reporting

CMI Reporting:

>Frequency, Monthly

>Scope, Section (1) Statistics

> Single process initiative progress to PBB Block changes

>Design/Engineering progress to PBB design requirements

>Manufacturing progress to PBB Production

>Supplier management Progress to PBBE

>Acceptance/Delivery Progress to Self Oversight

>Support PVS or Contractor Logistics support